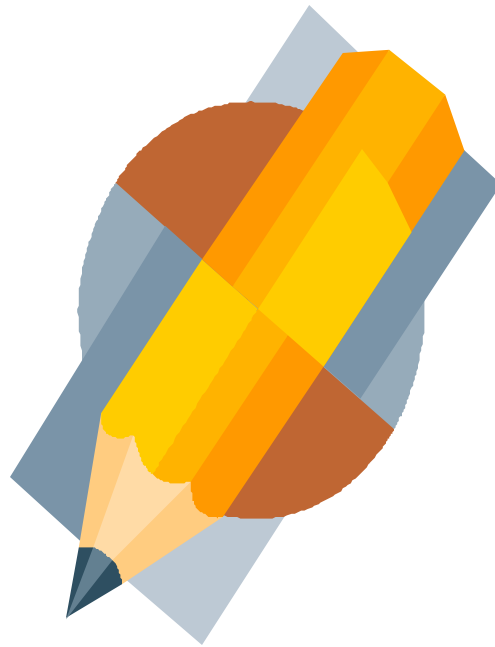




Indiana State Teachers Retirement Fund



Employer Handbook

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Introduction and Overview



“Excellence is an art won by training and habituation.
We do not act rightly because we have virtue or excellence, but we rather have those because we have acted
rightly.

We are what we repeatedly do. Excellence, then, is not an act but a habit.”

Author: Aristotle

At Indiana State Teachers’ Retirement Fund, we believe that excellence is a habit. Providing quality service to our employers and members is an important part of our organization.

In this manual there are examples of situations, questions, forms and policies.

This manual may refer to the Indiana State Teachers’ Retirement Fund as: ISTRF, TRF or the Fund.

Membership



- ◆ All regularly employed and legally qualified teachers who serve in the public schools of Indiana must be members of the Fund. This group includes certain faculty and staff at Vincennes University. Certain faculty and staff at Ball State University, Indiana State University and the University of Southern Indiana have the option of selecting TRF or an alternative university plan. Some legally qualified State employees may also be eligible for enrollment.
- ◆ Pursuant to Indiana law, in order for part-time and substitute teachers to be members of the Fund, they must:
 - Be certified by the Indiana State Board of Education (IC 20-6.1-3-2);
 - Have obtained at least an associates degree (IC 21-6.1-4-1); and
 - Teach at least one hundred, twenty (120) days in a year or at least sixty (60) days in each of two years (550 IAC 2-4-3; IC 21-6.1-4-2).
- ◆ No contributions should be collected for substitute teachers who do not meet the criteria outlined above. Once otherwise qualified substitute teachers teach the requisite number of days, they become members of the fund and the substitute teachers and their employers must begin making contributions (IC 21-6.1-4-9; 21-6.1-7-7; 21-6.1-7-12). Retroactive payments for service performed prior to a teacher reaching the requisite number of days are not required. Should teachers wish to purchase service credit for substitute teaching service prior to becoming a member of the Fund, they may do so pursuant to the rules set forth in IC 21-6.1-4-4.7.
- ◆ Upon beginning employment, all new teachers must submit an *Enrollment Form for New Members* (State Form 37680) form to the Fund. *Member Data Change* forms are used to update pertinent information changes such as addresses, names, and beneficiaries. These forms are available on our web site at www.in.gov/trf.
- ◆ Substitutes who have already retired from the Indiana State Teachers' Retirement Fund should not be re-enrolled in the Fund or make contributions to the Fund, unless they exceed the earnings limitation for retirees. Retirees, under normal retirement age, are responsible for informing the school corporation, who is responsible for notifying the Fund when they exceed the earnings limitation. The earnings limitation is currently \$25,000 per fiscal year.
- ◆ Some TRF Rules pertaining to membership.
 - ⇒ 550 IAC 2-4-2 Service in a Dual Position. Sec. 2. If an individual is employed by the same employer in a position that requires the performance of covered and non-covered service, contributions shall be paid from the portion of the annual compensation attributable to the covered service.
 - ⇒ 550 IAC 2-4-3 Nurses and Librarians. Sec. 3. Nurses and librarians licensed by the Department of Education and employed by a public school pursuant to a uniform or supplemental teaching contract are eligible for fund membership. Statutory contributions must be made based on such members' annual compensation.
 - ⇒ 550 IAC 2-4-5. Member Aides and Higher Education Graduate Assistants. Sec. 5. Teacher aides and higher education graduate assistants are **not** eligible for membership in the fund.

Documents to Submit Upon Enrollment



- State Form 37680- *Enrollment Form for New Members*. This form is available on-line at, www.in.gov/trf or by contacting the Member Service Center.
- A copy of the members' birth certificate from the state public health department where the birth was recorded. If the birth occurred in Indiana, please contact the following agency:
 - a. Mail Order
Indiana State Department of Health
Vital Records
P.O. Box 7125
Indianapolis, IN 46206-7125
 - b. Phone Order
(317) 233-2700
Credit Cards accepted
 - c. Allow six weeks for normal delivery
- A copy of the member's social security card

TRF Numbers

- ❖ Upon enrollment, members are assigned a TRF number.
- ❖ After entering data from State Form 37680, *Enrollment Form for New Members*, TRF will send notification to the member for confirmation of data.
- ❖ TRF numbers are not released to members via telephone.
- ❖ Members may request their TRF number in writing, which may be faxed or mailed to our office.
- ❖ Employers may obtain TRF number via telephone, if the request is under ten (10). If the request is for more than ten (10), employers must mail or fax their requests.

Creditable Service



Service is measured by the number of years worked in a position covered by the Fund. Creditable service is the amount of time that can be counted in the calculation of the state's pension portion.

One year of creditable service is earned for 120 days of service worked in a state fiscal year (July 1 through June 30). Sixty to 119 days of service in a fiscal year earns one-half of a year of creditable service. An active member is entitled to one day of service credit if the member engages in covered service for a standard workday or any fraction thereof.

A member is credited with service by TRF while holding a valid teaching license, and serving in a covered position in the Public Schools of Indiana and Vincennes University. Certain faculty and staff at Indiana State University, University of Southern Indiana, Ball State University, and certain approved individuals that work for state government may be eligible for service credit with TRF.

Other Sources of Creditable Service

There are additional sources of creditable service that can increase the state's pension portion.

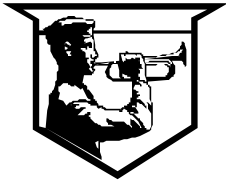
Private School Teaching: service earned while teaching in a private accredited school. Members must earn at least one (1) year of Indiana public school teaching service credit, before they can purchase private school teaching service.

Homebound and Substitute Teaching: A non-retired member may earn service credit for homebound teaching under certain circumstances.

Out of State Service: service earned in another state which was covered by a state's retirement plan comparable to the TRF.

- a. A member must have 10 or more years of service in Indiana before using out of state service.
- b. If a member began teaching in Indiana in a covered position before July 1, 1981 and the out of state teaching service to be claimed is before July 1, 1981, then the member may be eligible to claim up to eight (8) years of out of state teaching service credit.
- c. If the out of state service to be claimed is after July 1, 1981, and/or the member began teaching in a covered position in Indiana after July 1, 1981, then the member may apply for, but must pay for, out of state service credit if the service meets the requirements of "Out of State Service:" above.

Leave Service Credit: This includes leaves of absence for advanced study, work experience, member exchange programs, approved educational travel, approved sick leave, adoption, or disability—including pregnancy—provided certain criteria are met. (See Leave of Absence section)



Military Service Credit: Active members who retire after June 30, 2001, may purchase up to two years of military service credit at actuarial cost if it is not otherwise granted under previous military service credit law.

This provision means that active members who served for at least one year in the United States Armed Forces and were honorably discharged prior to enrolling in college may purchase military service credit at actuarial cost. Any active member seeking to purchase military service credit under this provision must have ten years of creditable service in TRF.

Please note that this provision only applies to members of the Fund who retire after June 30, 2001.

Public Employees' Retirement Fund (PERF) Service: When a member has accounts in both ISTRF and PERF, the two accounts are combined at the time of retirement and the service and money in both funds are used to compute the retirement benefit. The fund in which the member last worked prior to retirement is responsible for paying the benefits, therefore, no money is transferred prior to the time the retirement application is received.

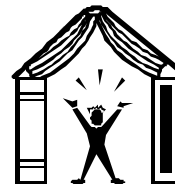
ISTRF can contact PERF for information concerning any possible account with them. This lets PERF know their member may have an account with ISTRF.

At the time of retirement, any service credit and money that a member has under PERF will be transferred to ISTRF for use in the computation of benefits. The member should contact PERF to be sure that his account in that fund is in order.

PERF may be contacted at:

Public Employees Retirement Fund
143 W. Market Street, Suite 700
Indianapolis, IN 46204
(317) 233-4162 or
(888) 526-1687

Claiming Service Credit

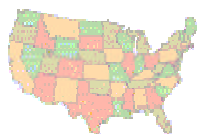


Claiming In-State Service not Previously Recorded

- ❖ Some members may have taught part-time or substituted in previous years but the employing unit did not enroll the member in TRF or withhold contributions for TRF from the member's salary. Members may claim such service by having their employer verify the days taught each year at each school to TRF from the employing unit, along with the salary earned during the period.
- ❖ TRF considers any work done on any particular day for which the member has been paid, as one (1) day of service. There is no minimum on the hours worked in that day.
- ❖ State Form 41625, *Verification of In-State Teaching Service* is used to verify the service.
 - ⇒ The member completes Part I
 - ⇒ The member sends one form to each employing unit where he/she seeks to confirm service.
 - ⇒ The employing unit completes each form (years, days worked, salary, etc.) and returns it to TRF.
- ❖ If a member worked at more than one school corporation during the school year involved, TRF requires a schedule of the particular days worked at each school system.
- ❖ If service occurred after July 1, 1995, the *Verification of In-State Teaching Service* form, will not be considered complete unless the employer has paid all contributions in accordance with Indiana Code, Section 21-6.1-7.

Claiming In-State Service Credit that has been Deleted by TRF

- ❖ The member must call or write TRF with the particulars. TRF requires the member's social security number and/or a TRF number.
- ❖ TRF will research and confirm, if service is verified.



Claiming Out of State Service Credit

1. The member must call or write TRF with the particulars—years worked, state involved, etc. TRF requires the member's social security number and/or TRF number. TRF will send State Form 49530, *Verification of Out of State Teaching Service*, and instructions to the member.
2. The member should complete State Form 49530, *Verification of Out of State Teaching Service*, and send the form to the out-of-state school involved. The out-of-state school(s) complete their portion and send the form to the out of state pension fund involved. The out of state pension fund will complete the form and return it to TRF.
3. The member should send a copy of the latest teaching contract to TRF.
4. After TRF has verified the service, TRF will send the member an assessment, along with an *IRS Section 415* Limitation form.

- a. The member may use the assessment to decide how many years he/she wishes to buy, if any.
 - b. The members may use the *IRS Section 415 Limitation* form to find out how much the IRS will allow the member to put into a tax-deferred fund in one calendar year.
5. If the member wishes to purchase out-of-state credit, he/she should notify TRF. The member must include the specific years he/she intends to purchase, a copy of the *IRS Section 415 Limitation* form and a check for the amount of purchase.
 6. Out of state service that entitles a member to a benefit in another state system or any federal retirement system cannot be used in Indiana.
 7. Members should allow a minimum of sixty (60) days for TRF to receive the (State Form 49530) *Out of State Verification* forms back from the out of state system.
 8. Teaching out of the country does not quality for service credit unless the teaching was in a military dependent school covered by the U.S. Department of Defense or teaching was a qualified leave of absence for exchange teaching.
 - a. Proper verification for military dependent teaching service is required. Form NA 13037-9-85 is required for proper verification.
 - b. This form can be obtained at:
 NATIONAL PERSONNEL RECORDS CENTER
 CIVILIAN PERSONNEL RECORDS
 111 WINNEBAGO STREET
 ST. LOUIS, MO 63118

Creditable Out of State Service includes:

- Teaching in another state at a public school in which service is covered by a retirement fund comparable to TRF
- Service teaching military dependents performed on a regular and continuing basis inside or outside this country
- Service attributable to leaves of absence which meet the appropriate criteria required by Indiana Code, section 21-6.1-4-5
- One year of creditable service is earned for 120 days of service worked in a state fiscal year (July 1 through June 30). Sixty to 119 days of service in a fiscal year earns one-half of a year of creditable service.

It's on the Fund

Members, who became members of the Fund prior to July 1, 1981 and have out of state service prior to July 1, 1981, have specific rights of transfer. Up to eight (8) years of out of state credit can be added to a member's service free of cost.

To purchase out of state service credit

- Other out of state service not included in the rights of transfer above may be purchased.
- Member must have one year of Indiana service.
- Cost is based on the current Indiana teaching contract.

Rules

- ! Out of state service credit that entitles a teacher to a benefit in another system or federal system cannot be used in Indiana.
- ! If a member does not have the requisite ten (10) years of creditable in-state teaching service, the additional service can be purchased, but it will not be included in any retirement computation until the condition is met (even though this purchased service may appear on the member's Quarterly Statement).
- ! If the employment is terminated before satisfying the eligibility requirements necessary to receive retirement benefits, the original purchase price, plus interest, will be refunded to the member.

Private School Service Credit

One year of creditable service is earned for 120 days of service worked in a state fiscal year (July 1 through June 30). Sixty to 119 days of service in a fiscal year earns one-half of a year of creditable service.

- Members must have one (1) year of Indiana public school teaching service credit before private school teaching service credit may be purchased.
- Members must be currently teaching in the Indiana public schools in order to purchase Indiana accredited private school teaching service credit.

Claiming Private School Service

State Form 49047, *Verification of Indiana Accredited Private School Teaching Service* form, is used to verify the service.

- The member should contact the Fund
 - The member should complete Part I of the *Verification of Indiana Accredited Private School Teaching Service* form.
 - The member must submit Part II of the *Verification of Indiana Accredited Private School Teaching Service* form to the private school employer for verification.
1. Upon receipt of the verification form, TRF will assess the service. If the member has taught the requisite number of days, TRF will bill the member for the service.
 2. Since the cost is based on the current salary the purchase price is valid for the same fiscal year. For example: If a member is purchasing service credit in the fiscal year 2001-02, we will need their salary contract for 2001-02. Therefore, the assessment would be valid from July 1, 2001 through June 30, 2002.
 3. If member wishes to purchase private school service, they will need to complete the Invoice/Worksheet and the 415 Limitation Form. The 415 Limitation Form is to aid the member in calculating how much the IRS will allow the member to put into a tax deferred fund in one calendar year.

All private school purchasing is voluntary.

Please allow a minimum of thirty to sixty days for TRF to receive the private school verification form.

Claiming PERF Service

- Credited service and monies in TRF are transferable to PERF and from PERF to TRF, upon qualification and application for retirement benefits.
- Each member is responsible for notifying TRF of any possible PERF service, in writing, before applying to TRF for benefits.
- TRF will confirm with PERF any service and/or account balance that the applying member claims at PERF. If confirmed, service, money and interest will be added to the TRF member's account before the application is processed.
- PERF can be contacted at:
Public Employees Retirement Fund
143 W. Market Street, Suite 700
Indianapolis, IN 46204
(317) 233-4162 or
(888) 526-1687

Claiming Military Service

- ⌘ A member must meet certain provisions defined by Indiana law to be granted military service credit.
 - ⌘ A member who began college or teaching prior to voluntary or involuntary induction into the military may be entitled to military service credit. Credit is limited to active military service.
 - ⌘ (Senate Enrolled Act 107) Active members who retire after June 30, 2001 may purchase up to two years of military service credit at actuarial cost if it is not otherwise granted under previous military service credit law.
 - ⌘ The maximum amount of creditable military service is six years.
 - ⌘ All years of military service during periods of hostility or demobilization count toward the six-year maximum.
 - ⌘ Military service that does not occur during periods of hostility or demobilization is limited to one year of creditable military service for each six years of creditable teaching service. A member must earn ten (10) years of creditable teaching service in Indiana and meet certain other requirements to be eligible for the creditable military service.
 - ⌘ There may be calendar limitations for returning to school or beginning teaching within eighteen (18) months after separation from active military service.
 - ⌘ A member who applies for military service credit will be required to produce Military Form DD214 and college transcripts. If a DD214 is not available, the member must provide valid military papers that show the date of active military service, date of exit from active military service, and an honorary discharge from active military service.
 - ⌘ Military form DD214 is usually sufficient. If a member's DD214 is lost or misplaced, new forms may be obtained from:
NATIONAL PERSONNEL RECORDS
MILITARY PERSONNEL RECORDS
9700 PAGE BLVD.
ST. LOUIS, MO 63132

- ⌘ A second type of military leave is authorized by Federal legislation. This generally applies when a member leaves a teaching position, serves in active military service and returns to the position he/she left when entering active service. A member is entitled to military service credit in the amount required by the Veterans Re-employment Right Act as amended 1994.
- ⌘ A member must have ten (10) years of approved Indiana service credit before military service can be used.

Purchasing Military Service Credit



If the member does the meet the above stated military requirements, then they may purchase a military service credit.

Indiana Code IC 5-10.3-7-5 and 21-6.1-4-6.1 permit members to purchase credit for up to 2 years of prior military service with the Teachers' Retirement Fund.

This service may not be used in claiming a retirement or disability benefit until payment in full has been made and you have accumulated ten (10) years of service not including any purchased military or out of state service.

✧ Procedures for Purchasing Military Service Credit

Request to Purchase Military Service form, is used to verify the service.

- ✧ The member should contact the Fund
 - ✧ The member must complete Parts I and II of the *Request to Purchase Military Service* form.
 - ✧ The member must submit Part III of the *Request to Purchase Military Service* form to the school-employing unit for verification.
1. Upon receipt of the verification form, TRF will assess the service.
 2. Since the cost is based on the current salary the purchase price is valid for the same fiscal year. For example: If a member is purchasing service credit in the fiscal year 2001-02, we will need their salary contract for 2001-02. Therefore, the assessment would be valid from July 1, 2001 through June 30, 2002.
 3. If member wishes to purchase private school service, they will need to complete the Invoice/Worksheet and the *IRS 415 Limitation Form*. The *IRS 415 Limitation Form* is to aid the member in calculating how much the IRS will allow the member to put into a tax deferred fund in one calendar year.

All military purchasing is voluntary.

Please allow a minimum of thirty to sixty days for TRF to receive the military verification form.

⊥ Refunds

If a member purchases service credit and elects to withdraw from the Fund prior to becoming vested, with at least ten (10) years of service, the amount the member has paid plus accumulated interest will be refunded.

Qualifications



In order to purchase this credit the member must meet the following criteria:

1. The member must be currently employed in a PERF or TRF covered position and have at least one year of service credit.
2. The member must have served on active duty in the armed services of the United States for at least 6 months (only 2 years of service may be purchased).
3. The member must have received an honorable discharge from the armed services.
4. The member must be able to provide a DD214 for each period of service you wish to purchase.

The armed services of the United States include the United States Army, Navy, Air Force, Marine Corps, and Coast Guard.

Claiming Service Credit for an Approved Leave of Absence

To be granted leave of absence credit eligible for TRF service credit, the leave must be for one of the following reasons:

1. Advanced Study
2. Work Experience
3. Member Exchange Program
4. Approved Educational Travel
5. Pregnancy
6. Adoption
7. Sickness or Disability

TRF does not recognize personal leaves for service credit.

- ☞ If the leave is for any of the stated reasons, the member must return to a position covered by TRF for the same amount of time the leave was granted. This does not apply if the leave was for sickness or disability.
- ☞ All leaves are subject to the one-seventh rule. Leave credit is limited to one-seventh of the total years of service claimed by a member for retirement purposes.
- ☞ A leave cannot be granted by TRF until the fiscal year in which the leave occurred is completed and all requirements have been fulfilled.
- ☞ The leave must be officially approved and verified by the school corporation.
The leave must be verified by completion of State Form 24315, *Leave of Absence Verification*.
- ☞ Family Leave (FMLA) is covered by Special Federal Law. This leave may be used at TRF only if needed for vesting. TRF will evaluate each application separately on its merit.

- ☞ Education or sick leaves taken prior to June 1974 require different verification.
- ☞ Members returning from authorized leaves retain membership in the particular fund (Pre-96 or Post-96) to which they belonged prior to the leave.
- ☞ Members who apply to the Fund for leave of absence should fill out the top portion of the form. The leave must be verified on State form 24315 and completed by the school corporation. When submitting the form to the fund, board minutes must be included.
- ☞ If the member is applying for pregnancy leave, a copy of the child's birth certificate is required.
- ☞ If the member is applying for an adoption leave, we must receive the court order finalizing the adoption.

In the event, that the member was on a paid leave of absence and did not contribute to the Fund, the member will be assessed 3%, before the leave can be added to the member's years of service credit.

TRF only recognizes the listed leaves for service credit.

Please note that leaves granted under the Family and Medical Leave Act of 1993 (2-9 U.S. C. 2601 et. Seq.) do not qualify the member for service credit for benefit purposes. These leaves are only eligible for credit for vesting and eligibility purposes to the extent required by the Family and Medical Leave Act. A member and the member's employer should consider carefully if a leave qualifies for Fund service credit, (i.e. sickness, pregnancy, etc.) before defining a leave as a Family and Medical Leave since it can eliminate the opportunity for service credit to continue.

Disability



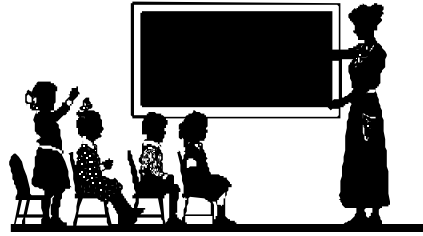
Definition: Members with five (5) or more years of service credit that become disabled while in Indiana teaching service.

1. Regular classroom disability requires approval by the Fund physician and benefits are \$125.00 per month plus \$5.00 for each year of service credit over five (5) years. Re-examination is required as specified by the fund physician until age sixty-five (65). The member must be out of service for a continuous period of six (6) months without pay before disability will be paid and no teaching service may be rendered while receiving the benefit.

In the event of death, all lump sum death settlements and/or survivor benefits are reduced by any regular disability benefits paid to the member before death.

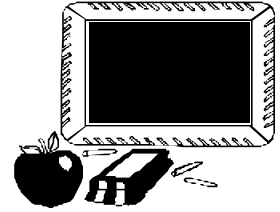
As long as a member receives a disability benefit, his/her account will continue to accumulate interest but the member cannot withdraw the money.

2. If a member elects to transfer from the disability benefit to a retirement benefit, all contributions and interest in his/her account can be used to determine a monthly benefit amount or can be withdrawn under Alternative II or III at the time of the transfer.
3. If a member passes away, either before or after transferring to the retirement benefit, the total disability payments made to that member would be deducted from any lump sum death settlement that might be due to his/her beneficiary or estate.
4. Who is eligible for classroom disability?
 - a. A member must be unable to continue Indiana teaching.
 - b. A member must have five (5) years of Indiana teaching credit.
 - c. The member must have been out of service for a continuous period of six (6) months without pay.
 - d. Disability requires approval by the Fund physician.
 - e. No teaching service may be rendered while on classroom disability.
 - f. Member must be re-examined by the Fund physician yearly until age 65.



Claiming Classroom Disability

- 📖 To claim classroom disability, the member must meet the following criteria:
1. The member must have been out of service for a continuous period of six (6) months without pay.
 2. Complete the *Affidavit of Applicant for Disability Benefit* form. This form should be notarized and sent to TRF.
 3. Complete State Form 17296, *Attending Physician's Statement*. This form must be completed by the member's physician and submitted, **by the physician**, to TRF.
 4. Complete State Form 17295, *Statement of Superintendent Disability Benefits Application* form. This form must be completed by the member's school corporation and returned, **by the school corporation**, to TRF.
 5. Complete the *Substitute Federal Tax Withholding* form and *Annuitant's Request for State Income Tax Withholding* form.
- 📖 In addition to the above, the member must contact Dr. Keith Huff, M.D., to make arrangements for his/her final examination in connection with his/her disability benefits. Dr. Huff will make his final disability determination to our Board of Trustees. He can be contacted at:
- Summit Occupational Medicine
3232 North Meridian Street
Indianapolis, IN 46208
(317) 927-2200
- His fee will be paid by the Fund.
- 📖 In the event the member is unable to travel to Indianapolis, arrangements may be made with Dr. Huff for a physician in the member's area to perform the examination. However, should this procedure be followed, the member must pay the fee for the local physician. Dr. Huff will provide a form to the residing physician for the member's examination. Dr. Huff, after receiving this report, will make his final decision to our Board of Trustees.
- 📖 After the report of the final examination is received from Dr. Huff, the member's application will be processed for presentation to our Board of Trustees for formal action. **Claims will not be processed until ALL information is received in our office and the six (6) month waiting period has terminated.**
- 📖 The member will be notified by TRF once the Board has acted officially. If the application is approved, benefits will be paid retroactive over the waiting period and subsequent to the end of the disability.



DISABILITY RETIREMENT

Disability Retirement benefits require that the disability occur after June 30, 1984, and **proof of qualification for Social Security disability must be furnished.**

1. Disability retirement benefits are computed the same as regular retirement benefits. There is no reduction for early retirement. The member may elect benefits under any of the retirement options.
2. The benefits may not be less than \$100.00 per month.
3. Verification as to continued disability from Social Security is required once each year until age sixty-five (65).
4. Members applying for social security disability should also apply for TRF disability retirement benefits. A copy of the member's application to Social Security for disability should accompany the TRF disability retirement application form.
5. Social Security disability must be effective back to the time the member left Indiana teaching in order to qualify for TRF disability retirement.

HOW TO CLAIM DISABILITY RETIREMENT BENEFITS



Once a member becomes disabled, the member should apply for Social Security benefits and contact TRF concerning an application for disability retirement benefits.

1. If a member has not yet been approved for Social Security benefits, a TRF application for disability retirement benefits should be submitted to the TRF office. A copy of the social security application should also be sent to TRF.
2. If a member has been declined Social Security disability benefits and intends to appeal the ruling; a TRF application for disability retirement benefits should be sent to TRF along with copies of the social security paperwork.
3. If a member applies for **regular** TRF retirement benefits, or if the member applies for **classroom disability** benefits, the member should complete an application for TRF disability retirement benefits. A note should be attached to the application stating why he/she does not currently qualify for disability retirement benefits, but that the member intends to apply as soon as he/she is approved by Social Security.
4. Members who are approved for Social Security disability benefits should complete a TRF disability application. The application will be on file in our office in case of the member's untimely death.
5. Social Security disability must be effective back to the time the member left Indiana teaching in order to qualify for TRF disability retirement.

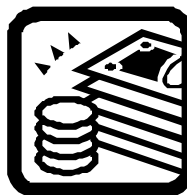


WITHDRAWING FROM THE FUND

Eligibility to Withdraw from the Fund

- ❑ Members who may **not** withdraw from the Fund:
 - Members on a leave of absence.
 - Members who are eligible for retirement benefits.
- ❑ A member of the Fund **may** withdraw from the Fund if:
 - (a) The member has terminated teaching service in the public schools of Indiana; AND
 - (b) The member is not currently qualified for retirement by combining age and service; AND
 - (c) The member is not planning to return to teaching service in the Indiana public school system during the next academic school year; AND
 - (d) The member is not currently employed in a position covered by the Indiana Public Employees' Retirement Fund.
- ❑ If a member has worked in a covered position within the last three (3) years, he/she must send his/her withdrawal form to his/her last employer for verification. This is not applicable if the member has a balance of \$200.00 or less.
- ❑ Suspension of membership automatically occurs five years after termination of TRF-covered employment for members with less than ten (10) years of service.
- ❑ Five (5) years after suspension of membership, annual interest ceases to accrue on a member's annuity savings account.
 - The money reverts to the Fund unless the former member claims it.
 - If the account is not claimed within three years after the member's death, the money reverts to the Fund on a permanent basis. Members can apply for a waiver of this provision by sending an appeal to the Board of Trustees. Please contact the legal department for more details.
- ❑ If a member is vested – i.e., with ten (10) or more years of creditable service in TRF – interest will **not** stop.

Members who have withdrawn from the Fund may **not** reclaim their prior service credit without first returning to regularly employed service in a TRF or PERF-covered position for one year.



FEDERAL WITHHOLDING ON WITHDRAWALS

Taxable amounts withdrawn from the Fund are subject to 20% Federal withholding unless the member elects to roll over the taxable amount into an IRA or other qualified plan.

The Tax Reform Act of 1986 may impose an additional 10% penalty of the taxable amount of the withdrawal if the withdrawing member is under age 59 ½--unless he/she elects to roll over the taxable amount into an IRA or other qualified plan.

HOW DOES A MEMBER WITHDRAW?

The member must contact the Fund for a copy of State Form 18521, *Voluntary Withdrawal Application*. Please note that there are four additional pieces of literature that will be sent with this application. The application has up to five sections that must be completed by the member to process his/her withdrawal request:

Mandatory Sections

- A. The member must fill in **all** boxes in the “MEMBER DATA” section.
 - If the last name entered on the form differs from the one listed on our records; the member will need to attach a document providing evidence of the name change.
 - The member’s Social Security number must match the number listed on our records. Any discrepancy in these records will delay processing.
- B. The member must complete the “DISTRIBUTION INFORMATION” section. If the member is electing to rollover any amount of their annuity savings account, they must provide the name of the IRA or other qualified plan.
- C. The member must complete the “MEMBER AFFIDAVIT” section. The form requires both the signature and printed name of the applicant. Please note that this signature must be witnessed and verified by a Notary Public. Failure to have the application properly notarized will delay processing.

Potential Sections

- D. If a member has worked in a covered position within the last three (3) years, he/she must send his/her withdrawal form to his/her last employer for verification. This step is performed by completion of the “CERTIFICATION OF EMPLOYING OFFICIAL” section.
- E. If a member wants to have an amount withheld to cover the Indiana Income Tax, the member must complete the “OPTIONAL STATE OF INDIANA TAX WITHHOLDING” section.
 - ❑ Processing the application will require six to eight weeks. The length of time varies because the Fund only issues payment checks once a month.
 - ❑ If the member has any contributions posted from their employer after their withdrawal check has been issued, these contributions will be refunded at that time. These contributions will be from the last quarter in which they worked.

Other Pieces of Literature

Four additional pieces of literature will be sent with each requested *Voluntary Withdrawal Application*.

They are:

1. “MORE INFORMATION”: This information discusses the various tax rules regarding payment of the withdrawn money.
2. “ISTRF WITHDRAWAL APPLICATION CHECKLIST”: This checklist provides the member with a useful tool to ensure that all procedures have been followed correctly. Strict adherence to this checklist will result in timely processing of the request.
3. *Request for Member Data Change* form [State Form 43567]: For members who are notifying the Fund of a name change.
4. Cover letter to member with withdrawal packet. This letter indicates the member’s annuity savings account balance.



DEATH BENEFITS ON NON-RETIRED MEMBERS WHO ARE NOT ELIGIBLE FOR BENEFITS AT THE TIME OF DEATH

1. If a member dies prior to retirement or withdrawal, and has not accrued at least 15 year of service credit, the designated beneficiary or estate is entitled to a lump sum settlement of the member's annuity saving account balance. Unclaimed accounts are subject to forfeiture three (3) years from date of death.
2. Exceptions to this rule:
 - a. The member was a legislative member with at least ten (10) years of creditable service at the time of death.
 - b. The member had a least ten (10) years of service and was sixty-five (65) or older at the time of death.
3. All lump sum death settlements are reduced by any classroom disability benefits that may have been paid to the member before death.
4. No payment will be made to an individual under eighteen (18) years of age until a court appointed guardianship is established.

How To Apply for a Lump Sum Settlement for Non-Retired Members who are not Eligible for Benefits at the Time of Death

1. TRF should be notified immediately upon the death of a non-retired member.
2. TRF will determine whether the deceased member was eligible for benefits and if the member had any designated beneficiaries.
3. If the deceased had beneficiaries over age eighteen (18), TRF will send the beneficiary(ies):
 - a. *Claim for Refund Due to Death* form, AND
 - b. if the member was a resident of the State of Indiana, a *Consent to Transfer* form, AND
 - c. a request for a death certificate.
4. If the deceased had beneficiaries under age eighteen (18), TRF will send the guardian(s) of the under-age beneficiary(ies):
 - a. *Claim for Refund Due to Death* form, AND
 - b. if the member was a resident of the State of Indiana, a *Consent to Transfer* form, AND
 - c. a request for a death certificate AND
 - d. a request for guardianship papers.

NOTE: *(If the beneficiary is an out of state resident, he/she may have to pay Indiana Inheritance Tax on any benefit received.)*
5. If the deceased had no beneficiaries, TRF will send to the Estate of the deceased:
 - a. *Claim for Refund Due to Death* form, AND
 - b. *Consent to Transfer* form, AND
 - c. an *Affidavit of Distributee for Death Benefit of Deceased Member*, (State Form 17294) AND
 - d. a request for a death certificate.
6. When the above forms are returned and processed, TRF will send payment to the proper payee.

DEATH BENEFITS ON NON-RETIRED MEMBERS WHO ARE ELIGIBLE FOR BENEFITS AT THE TIME OF DEATH

- If a member dies prior to retirement or prior to completing an application for retirement benefits, and:
 - had accrued at least 15 years of service credit, OR
 - was a legislative member with at least ten (10) years of creditable service at the time of death, OR
 - had at least ten years of service, AND
 - was sixty-five (65) or older

then the member's surviving spouse or dependents, if any, may be entitled to a monthly benefit.

- The death benefits listed above are available to the surviving spouse. If there is no surviving spouse, the surviving dependent(s) are eligible to receive a pension benefit. This also applies to deceased members who were receiving a classroom disability benefit at the time of their death.
- If the survivor is a spouse, the marriage must have been at least two (2) years in duration in order to meet benefit eligibility criteria.
- No payment will be made to an individual under eighteen (18) years of age until a court appointed guardianship is established.
- If there is no eligible surviving spouse, but there is a surviving dependent of the deceased member, then he/she is eligible to receive a monthly benefit until age eighteen (18) or death, whichever is earlier. However, if a dependent is permanently and totally disabled (using disability guidelines established by the Social Security Administration) at the date of attaining age eighteen (18), the monthly benefit is payable until the date the dependent is no longer disabled or dies, whichever is earlier.
- If there are multiple surviving dependents, the benefit is computed on an actuarial basis for monthly benefits according to the age of the surviving dependents.
- The spouse or dependent child may elect to receive the member's annuity savings balance in a lump sum payment or annuitized and included in the monthly benefit if no other person is designated beneficiary.
- Unclaimed accounts are subject to forfeiture three (3) years from date of death.

HOW TO APPLY FOR DEATH BENEFITS ON NON-RETIRED MEMBERS WHO WERE ELIGIBLE FOR BENEFITS AT THE TIME OF DEATH

1. If the deceased member had no spouse of two years standing, and if the deceased member had no dependent children under eighteen (18), TRF will send to the beneficiary, if any, or the estate the following:
 - a. *Affidavit of Distributee for Death Benefit of Deceased Member* form (State Form 17294).
 - b. *Claim for Refund Due to Death* form (when beneficiary is not the spouse), OR
 - c. *Claim for Refund Due to Death* form (when estate will receive the money).
 - d. *Consent to Transfer* form (if the member resided in Indiana), AND
 - e. TRF requires a copy of the death certificate
2. If the deceased member had a spouse of at least two years, the spouse should notify TRF immediately and send a copy of the death certificate. The spouse may be entitled to the following benefits:
 - a. Spouse lifetime monthly benefit, OR
 - b. Lower spouse lifetime monthly benefit and a lump sum distribution of the deceased spouse's total Annuity Savings Account.

TRF will send the necessary forms to the surviving spouse.

3. If the deceased member had no spouse of at least two years, but the deceased member had dependent children under 18, a guardian should notify TRF immediately and send a copy of the death certificate. The dependent children may be entitled to a monthly benefit until age eighteen (18).

TRF will send the necessary forms to the guardian of the surviving children.

4. If the deceased member had a spouse of at least two years, and no dependent children under age eighteen (18), but named a primary beneficiary other than the spouse, TRF should be notified immediately.
 - ♦ The spouse may be eligible for a monthly pension benefit.
 - ♦ The beneficiary may be eligible for a lump sum payment of the deceased member's Annuity Savings Account.

TRF will send the necessary forms to the spouse and/or beneficiary.



RETIREMENT

If the member is planning to retire at the time of leaving service, advise the member to begin the application process several months before planned retirement.

- ⦿ The employer should submit a list of all intent retirees with names, social security numbers, and TRF numbers.
- ⦿ TRF will mail the member a *Retirement Application* form (State for 23226).
- ⦿ The member must complete Part I of the application and submit it to TRF.
- ⦿ Employers must complete Part II of the application and send it directly to TRF.

If the member is not eligible for retirement at the time he/she leaves service because he/she has not reached the minimum age:

- ⦿ The actual *Application for Retirement Benefits* and other related forms and documents should be submitted to ISTRF no more than a year in advance of actual benefit eligibility. The member should complete PART II and send it to the employing school. The school will send the complete sheet to TRF and TRF will keep it on file until the member is eligible for retirement.
- ⦿ It is the member's responsibility to contact TRF a few months prior to eligibility. If the forms are received after the eligibility date, retroactive benefits will not be paid unless the retiree attaches a letter requesting retroactive benefits. Indiana law allows a maximum of six months retroactivity.

General Description of Benefits

A member's retirement benefit may be made up of two parts:

- ✓ A monthly pension provided by the State, and
- ✓ An annuity based on that member's Annuity Savings Account (contributions plus earnings)

The State's pension portion is determined by salary history, years of service, age and the retirement options(s) selected.

The annuity portion depends on the value of a member's Annuity Savings Account at the time of retirement, age, payment alternative, and option selected.

Retirement Eligibility



A member may become eligible for normal (*unreduced*) retirement:

- ✧ at age 65 with at least 10 years of creditable service
- ✧ at age 60 with at least 15 years of creditable service or
- ✧ at age 55 if age and creditable service total at least 85

Early retirement is available at age 50 with 15 or more years of creditable service. However, reduced payments will be given since payments begin earlier and are spread over a longer period of time. A member retiring early receives a percentage of the state's pension portion, according to the following chart:

<u>Age</u>	<u>Benefit Percentage</u>	<u>Age</u>	<u>Benefit Percentage</u>
59	89%	54	64%
58	84%	53	59%
57	79%	52	54%
56	74%	51	49%
55	69%	50	44%

Leaving Service after Becoming Vested and Planning to Retire at a Later Date

Members are advised to gather all pertinent retirement information at the time they leave service. In all instances an *Application for Retirement Benefits* form Part II (including affidavit and verification of employment) should be completed at that time. The top portion is completed by the member and forwarded to the employing unit for completion. The information required from the employing unit is more readily available at the time a member leaves service than at a future date.

TRF/PERF

When a member has accounts in both TRF and PERF, the two accounts are combined at the time of retirement and the service and money in both funds are used to compute the retirement benefit.

- ⦿ The Fund, under which the member was last covered prior to retirement, is responsible for paying the benefits; therefore, nothing is transferred prior to the time the retirement application is received.
- ⦿ We can contact PERF for information concerning a possible account with them.
- ⦿ A member may contact PERF to be sure that his/her account in that Fund is correct. Contact PERF at:
143 West Market Street
Indianapolis, IN 46204
(317) 233-4162

ESTIMATES FOR RETIREMENT BENEFITS

1. TRF can provide computer-calculated estimates up to two years in advance of the current school year.
 - a. Computer estimates beyond two years are unreliable.
 - b. Laws, actuarial data and interest rates may vary yearly.
 - c. TRF only generates estimates. Actual figures, after final verification, may vary at retirement. State Form 34865, *Estimate Information* form, must be completed in order to request an estimate. Members can generate their own estimate via the TRF web site. The web site is available at, www.in.gov/trf.
-

How TRF processes the *Estimate Information* form prior to retirement

- a. TRF uses the member-supplied salaries.
 - b. TRF uses service credited to the member, including service that the member will perform in the future. PERF service, out of state service, and military service that TRF has not verified will not be used in the estimate calculation process.
 - c. The accrual date is the first of the month following either the last day of work, or the first of the month following a significant date, such as birth date, or date the member achieves a certain number of years of service.
 - d. TRF will not print the co-survivor options unless the member provides his/her survivor's date of birth, social security number and name.
 - e. Severance pay includes termination pay, retirement pay, or commutation of sick pay. By law, TRF is able to use a maximum of \$2,000.00 which can be considered as part of the "high five" salary.
 - f. TRF will not print the A-4 Social Security Equalizer Option unless the member provides a copy of his/her social security estimate.
-

How to calculate estimates of benefits far in the future

Members can obtain State Form 3240, *Calculator of Retirement Benefits* form, from TRF. Instructions and explanations of retirement options are listed on this form.

The Retirement Application



New retirement applications are prepared each year by TRF. Retirement applications will be sent by TRF to the member in January of each year, upon receipt from the employer of the members' intent to retire. The *Retirement Application* is State Form 23226. The form consists of about 25 pages in booklet form. Included in the booklet are the following documents:

- ✎ Retirement Application, Parts I and II (**required**)
- ✎ Direct Deposit Form (**required**)
- ✎ Miscellaneous Tax Information
- ✎ Federal Withholding Forms (**two; only one is required**)
- ✎ State withholding form for monthly payments (**optional**)
- ✎ State withholding form for lump sum payments (**optional**)

TRF processes retirement applications on a first come first serve basis. All documents must be received and verified before the member can receive a retirement benefit. This process may take up to sixty (60) days from verification of received documents. However, during the summer months, TRF can receive up to 1,400 applications. There may be a delay during those months.

Retroactive Pay: TRF will pay retroactive pay back to the last day of work. If a member delays applying for retirement and wants retroactive pay, TRF requires a signed letter requesting up to six (6) months of retroactive pay.

Deferred Retirement Date: If a member wishes to delay receiving benefits until the "Rule of 85" applies or until a significant date for age, the member must submit a signed document to that effect or fill in the "Delayed Date" box on the *Retirement Application* (State Form 23226) form.

GENERAL INSTRUCTIONS TO EMPLOYER FOR COMPLETING PART II OF THE RETIREMENT APPLICATION

1. Complete the salary data and certification section as soon as possible.
2. Enclose a description of the current retirement bonus, incentive and severance pay. Please note that only \$2,000.00 of this amount received may be used in determining the final average salary, irrespective of whether the total is paid in the final year of service or paid over multiple years; however, \$2,000.00 must be paid within one year of the last day of service.
3. For assistance in completing this form, call TRF Annuity Division at (317) 232-3860 or fax at (317) 232-3882.
4. Send completed forms to:
Indiana State Members' Retirement Fund
150 West Market Street, Suite 300
Indianapolis, IN 46204-2809

Procedures for completion:

The school verification report should be completed in two stages:

- ⇒ Stage 1- Please complete "Section Two – Preliminary School Verification" and forward or fax a copy to our offices, along with a copy of the member's current contract, with any amendments. Please submit all summer school contracts for the last five years of service.
- ⇒ Stage 2- Complete "Section Three – Final School Verification" and return to our offices as soon as possible. The member's first payment is dependent on the return of "Section Three."

If the member gives the "Application for Retirement Benefits – Part 2" to the employer less than two (2) weeks prior to his/her last day of service, please complete both stages at the same time and forward the completed form to our offices immediately. Please see the sample on the following page.

Application for Retirement Benefits – Part 2

Section One – Member Identification *(completed by member)*

1. Name of Retiring Member John Doe	2. Social Security Number 123-45-6789	3. TRF Number 123456
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Section Two – Employer Verification *(completed by employer)*

The employer must complete this part of the form. After completion, the employer should submit the form to the Fund either by mail or facsimile, along with a copy of the member's 2001-02 contract *(plus supplements)*. Please submit all summer school contracts.

SCHOOL YEAR	CONTRACT SALARY	SALARY EARNED (P-31 Report)	SALARY LOST OR EXTRA EARNINGS (Show + or -)	REASON FOR SALARY LOSS OR EXTRA EARNINGS	SALARY INCLUDED IN P-31 PAID IN CONTEMPLATION OF RETIREMENT
1996-97	\$ 31500.00	\$ 33119.11	\$ 630.00 1200.00	Drivers Education Summer School	\$
1997-98	\$ 32450.00	\$ 35153.84	\$ 1050.00 1500.00	Summer School Summer School	\$
1998-99	\$ 33420.00	\$ 34770.80	\$ 1200.00 300.00	Summer School Extra Class	\$
1999-00	\$ 34420.00	\$ 35228.12	\$ 1200.00 -238.00	Evening School Unpaid Personal Leave	\$
2000-01	\$ 35455.00	\$ 35795.80	\$ 500.00	Homebound	\$
2001-02	\$ 36520.00	(Anticipated) \$ 44524.60	\$ 550.00 2000.00	Workshop Severance	(Anticipated) \$ 2000.00

Does the 1996-97 P-31 Salary Earned Report above include any amount actually earned prior to July 1, 1996, but paid July 1, 1996 or later from regular contract or summer school / other?

☒ YES ☐ NO Give Amount: Regular Contract \$ 4935.27 Summer School/Other \$ _____

Does the 1997-98 P-31 Salary Earned Report above include any amount actually earned prior to July 1, 1997, but paid July 1, 1997 or later from regular contract or summer school / other?

☒ YES ☐ NO Give Amount: Regular Contract \$ 5146.16 Summer School/Other \$ 206.25

Does the 2001-02 P-31 Salary Earned Report above include any amount actually earned prior to July 1, 2001, but paid July 1, 2001 or later from regular contract or summer school / other?

☒ YES ☐ NO Give Amount: Regular Contract \$ 5454.60 Summer School/Other \$ _____

Is the employee in the "96" Plan?

☐ YES ☒ NO

Does the employer pay the employee contributions?

☒ YES ☐ NO

Date school began paying contribution for employees:

July, 1992

Record of the 2001-2002 Quarterly

Quarter 2001-02	Salary Earned P-31 Report	Contributions Paid by Employee	Contributions Paid by Employer	Days Worked
1 st Qtr.	\$ 11131.15	\$	\$ 333.93	30
2 nd Qtr.	\$ 11131.15	\$	\$ 333.93	30
3 rd Qtr.	\$ 11131.15	\$	\$ 333.93	30
4 th Qtr.	\$ 11131.15	\$	\$ 333.93	30

Name of person at school to contact for questions

Jane Smith

Telephone number

(000) 987-6543

Section Three – Employer Verification (completed by employer)Employer, please complete this section and forward the original to the Fund as soon as possible.

Name of Teacher John Doe		Social Security Number 123-45-6789		Number of days for which salary was paid in the 2001-02 school year: 120	
SCHOOL YEAR	CONTRACT SALARY	SALARY EARNED (P-31 Report)	SALARY LOST OR EXTRA EARNINGS (Show + or -)	REASON FOR SALARY LOSS OR EXTRA EARNINGS	SALARY INCLUDED IN P-31 PAID IN CONTEMPLATION OF RETIREMENT
2001-02	\$ 36520.00	\$ 44524.60	\$ 550.00 2000.00	Workshop Severance	\$ 2000.00
List amount of TRF contributions made during school year (July 1 through June 30)					
School Year		Total Amount Paid		Amount employee paid	Amount employer paid
2001-02		\$ 1335.72		\$	\$ 1335.72
Employer School Unit Teachers School Corporation		TRF employing unit number 99-99		County Marion	
School Address (Street, city state, ZIP Code) 123 Smith Street Thomas, IN 45678		Person to Contact Jane Smith		Telephone Number (with area code) (000) 987-6543	
				FAX Number (with area code) (000) 987-6543	
Employer's Signature			Employer's Printed Name Jane Smith		

I hereby affirm that, under the penalty of perjury, according to official records, the above information is true and accurate and that the SERVICE or LEAVE OF ABSENCE (excepting disability retirement) and COMPENSATION of:

Member's Name	Member's Social Security Number	Member's TRF Number
John Doe	123-45-6789	123456
for service as a teacher ceased on:		Member's Last Day of Service July 2, 2002

EMPLOYER / SCHOOL UNIT INSTRUCTIONS

1. Please enclose a description of your current retirement incentive program. Please note that only \$2,000 of this amount may be used.
2. Please complete the employer verification report in two stages:

Stage 1 – Please complete "Section Two – Employer Verification"; please mail or FAX a copy to our offices along with a copy of the member's 2001-2002 contracts with amendments. Please submit all summer school contracts for the last five years of service.

Stage 2 – As soon as possible, complete "Section Three – Employer Verification" and return to our offices. The member's first payment is dependent on an expediently returned "Section Three."

3. In the event that the member gives the employer the "Application for Retirement Benefits – Part 2" less than two weeks prior to his or her last day of service, please complete both stages at the same time and forward the completed form to our offices immediately.

Please do not hesitate to call or write with any questions or suggestions that might improve the retirement process:

Indiana State Teachers' Retirement Fund
150 West Market Street, Suite 300
Indianapolis, IN 46204-2809

Telephone: (317) 232-3860 / (888) 286-3544

FAX: (317) 232-3882

Section Two – Preliminary School Verification

This part of form to be completed by the employer. After completion, the employer should submit the form to the Fund either by mail or facsimile, along with a copy of the member's current contract (plus supplements). Please submit all summer school contracts.

SCHOOL YEAR	CONTRACT SALARY	SALARY EARNED (P-31 Report)	SALARY LOST OR EXTRA EARNINGS (show + or -)	REASON FOR SALARY LOSS OR EXTRA EARNINGS	SALARY INCLUDED IN P-31 PAID IN CONTEMPLATION OF RETIREMENT
1996-97	\$ 31500.00	\$ 33119.11	\$ 630.00 1200.00	Drivers Education Summer School	
1997-98	\$ 32450.00	\$ 35153.84	\$ 1050.00 1500.00	Summer School Summer School	
1998-99	\$ 33420.00	\$ 34770.80	\$ 1200.00 300.00	Summer School Extra Class	
1999-00	\$ 34420.00	\$ 35228.12	\$ 1200.00 -238.00	Evening School Unpaid Personal Leave	
2000-01	\$ 35455.00	\$ 35795.80	\$ 500.00	Homebound	
2001-02	\$ 36520.00	\$ 44524.60	\$ 550.00 2000.00	Workshop Severance	2000.00
Totals	203,765.00	218,592.27	9,892.00		

If your figures are correct, this shows how we balance using all six years:

Total of Contracts:	203,765.00
Plus Salary Lost/Extra Earnings	<u>+ 9,892.00</u>
Total	213,657.00

Salary Earned (P-31)	218,592.27	
	Minus <u>-4,935.27</u>	(carryover from 1995-96 contract
Total	213,657.00	that is reflected in the 1996-97 P-31 amount of \$33,119.11)

If your figures are correct, this shows how we balance using the last five years:

Total of Contracts	172,265.00
Plus Salary Lost/Extra Earnings	<u>+8,062.00</u>
Total	180,327.00

Salary Earned (P-31)	185,473.16	
	Minus <u>-5,146.16</u>	(carryover from 1996-97 contract
Total	180,327.00	that is reflected in the 1997-98 P-31 amount of \$35,153.84)

HOW TO FIGURE SUMMER SCHOOL CONTRACTS WHEN THE LAST FIVE (5) YEARS ARE THE HIGHEST

The dollar amount in Column 3 (Salary Lost or Extra Earnings) reflects how the Summer School or Drivers Education was **PAID**. We must know how the Summer School or Drivers Education was **EARNED**.

JUNE 1997

JULY 1997

S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7			1	2	3	4	5
8	9	10	11	12	13	14	6	7	8	9	10	11	12
15	16	17	18	19	20	21	13	14	15	16	17	18	19
22	23	24	25	26	27	28	20	21	22	23	24	25	26
29	30						27	28	29	30	31		

In this Example:

SUMMER SCHOOL CONTRACT

Summer Contract ran from June 10th through July 11th: The member worked a total of 24 days (15) days in June and (9) days in July. The amount of the Summer School Contract was \$2250.00; therefore, the daily amount was \$93.75.

The member worked 15 days in June, so $\$93.75 \times 15 = \1406.25 was earned in June of the fiscal school year 1996-97.

The member worked 9 days in July, so \$843.75 was earned in July of the fiscal school year 1997-98.

The member was paid \$1200.00 in the Fiscal year 1996-97.

The member was paid \$1050.00 in the Fiscal year 1997-98.

The member actually earned \$1406.25 in June of 1996 but was paid only \$1,200.00, which is a difference of \$206.25. This amount is reflected in the \$1050.00 reported in the Summer School amount. On the *Application for Retirement Benefits-Part II* in the Summer school carryover section for 1997-98, \$206.25 is indicated as the difference.

WE MUST KNOW WHEN THE SUMMER SCHOOL WAS PAID IN ORDER TO BALANCE THE SALARIES AND WE MUST KNOW WHEN IT WAS EARNED TO DETERMINE THE FISCAL YEARS ACTUAL EARNINGS.

COMMON OMISSIONS AND ERRORS MADE WHILE COMPLETING THE RETIREMENT APPLICATION

1. The last day of work filled in by the member does NOT match the last day of work filled in by the employer.
2. The member elects more than one option—for instance, marking both “A-1” and “B-1”.
3. The member fails to supply a birth certificate for self and/or co-survivor.
4. The box “Direct account title” on the *Application for Direct Deposit* (State Form 47144) form does not contain all of the names of persons authorized to access the account.
5. The member fails to request for retroactive payments.
6. The member fails to complete the *Substitute Federal Tax Withholding* form.

FOUR THINGS MEMBER’S SHOULD NOT FORGET

1. **First retirement benefit checks are always mailed to the address provided on the *Retirement Application*.** Later checks will be electronically deposited.
2. The first check may include:
 - a. Retroactive pay, if applicable
 - b. Lump sum payment, if applicable
 - c. First month regular amount
3. The second check will be a regular monthly benefit amount.

Re-employment after Retirement

Effective July 2, 2001, retired members who are under the normal retirement age and re-employed in a "covered" position will have a fixed earning limitation of \$25,000 calculated on a fiscal year for TRF employees and calculated on a calendar year for PERF employees. A "covered" position is one that is covered by either TRF or PERF.

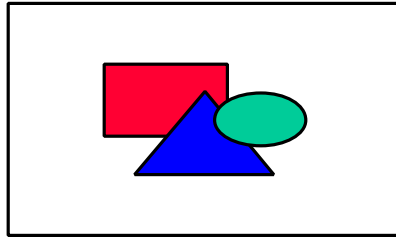
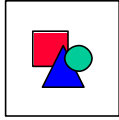
Retired members who are already re-employed will not be "grandfathered" in under the older provision. In addition, all retiring members, under 65, must wait at least ninety (90) days after their date of retirement before returning to service in a covered position to receive a pension benefit.

If a retired TRF member, who is under the normal retirement age, earns more than \$25,000 in a fiscal year, his retirement benefit from TRF will be stopped for the remainder of the fiscal year. [The benefit will resume at the beginning of the next fiscal year and continue until the \$25,000 earnings test is met for that fiscal year.]

Retired members who are re-employed in a covered position may earn a second retirement benefit for their service during re-employment. This benefit would be added to the original retirement benefit at the time of re-retirement.

The \$25,000 earning test does not apply to retired members who are of normal retirement age, or to a retired member who is re-employed by the Indiana Department of Education.

The employer's mandatory contributions are to be made throughout the entire period of re-employment regardless of whether or not the employee's retirement benefit has been suspended. The mandatory 3% employee contribution is only required during the period that the employee's retirement benefit has been suspended, although it may be paid during the entire period of re-employment.



The earliest a person can start receiving Social Security retirement benefits will remain at age 62.

Social Security Full Retirement and Reductions * by Age

No matter what your full retirement age is, you may start receiving benefits as early as age 62

Year of Birth <i>Note: Persons born on January 1 of any year should refer to the previous year.</i>	Full Retirement Age	Age 62 Reduction Months	Monthly % Reduction	Total % Reduction
1937 or earlier	65	36	.555	20.00
1938	65 and 2 months	38	.548	20.83
1939	65 and 4 months	40	.541	21.67
1940	65 and 6 months	42	.535	22.50
1941	65 and 8 months	44	.530	23.33
1942	65 and 10 months	46	.525	24.17
1943–1954	66	48	.520	25.00
1955	66 and 2 months	50	.516	25.84
1956	66 and 4 months	52	.512	26.66
1957	66 and 6 months	54	.509	27.50
1958	66 and 8 months	56	.505	28.33
1959	66 and 10 months	58	.502	29.17
1960 and later	67	60	.500	30.00

You can also retire at any time between age 62 and full retirement age. However, if you start at one of these early ages, your benefits are reduced a fraction of a percent for each month before your full retirement age.

As a general rule, early retirement will give you about the same total Social Security benefits over your lifetime, but in smaller amounts to take into account the longer period you will receive them.

Here's An Important Point: There are disadvantages and advantages to taking your benefit before your full retirement age. The advantage is that you collect benefits for a longer period of time. The disadvantage is that your benefit is permanently reduced. Each person's situation is different, so make sure you contact Social Security before you decide to retire.

** Percentage monthly and total reductions are approximate due to rounding. The actual reductions are .555 or 5/9 of 1% per month for the first 36 months and .416 or 5/12 of 1% for subsequent months .*

Source: Social Security Administration 2002- www.ssa.gov

Quarterly Wage and Contribution Transmittal

TRF can accept your Primary and Secondary Education Retirement Payment Transmittal via the ISTRF web site.

Each participating school will be given a user name and password. Once admitted into the site, schools will be able to submit P-31 totals, payments and difference explanations.

TRF will pay for your school unit's subscription for one user. If your school unit uses more than one user, each additional subscription is \$5.00 annually.

To participate in this exciting program, please email Tom Abbett at: tabbett@trf.state.in.us, with your name and the email address you would like to use for this program.

For questions regarding Electronic Payment Transfer, call Tom Abbett at (317) 232-3826 or (888) 286-3544.

Electronic Submission of Your Quarterly Report via Email

Now each school unit can submit their quarterly reports via email. *

If your school unit would like to participate in this program, please email TRFREP@trf.state.in.us.

*Each report should be in the same format with your school unit number, transaction and quarter end date formatted correctly.

Tips on Filing P-31 Quarterly Wage and Contribution Reports

- With the implementation of our new computer system some of the language has changed. The language in parentheses () is the language of our previous system.
- A. Unit # is your seven digit account number: example - 00##-0##.
- B. Current date. Date report was created. (Diskette reporting only)
- C. Quarter End Dates—there are only four acceptable quarter end dates: 0930, 1231, 0331, and 0630.
- D. Wages for the quarter-- Report only wages to which 3% mandatory pre-tax contributions (employer pick-up) and/or 3% mandatory post-tax (member contributions) contributions apply. Do not include severance pay in excess of \$2,000, reimbursement for expenses, etc.
- E. Mandatory post-tax contributions for quarter (member 3% contributions).
 - 3% of eligible wages paid by members.
- F. Mandatory pre-tax contributions (3% employer pick-up).
 - 3% of eligible wages paid by employer.

- G. ER share (ERP) Pension Funding for members hired after June 30, 1995. This amount must be 9.0% of wages for affected members per quarter. This also applies to members who have moved from one School Corporation to another School Corporation. All other members should be reported at zero.
- H. FSP wages (FSP wages). These are wages paid by Federal Funds. This amount must be less than or equal to wages for the quarter.
- I. FSP contributions (FSP contributions). This amount must be 9.0% of FSP wages reported for quarter.
- J. HEP contributions. These contributions apply to colleges and universities only. This amount must be 9.0% of wages reported for all members on report.
- K. S/C Days (Days). Days taught for the quarter. Members can receive only one day of credit per day. Members that teach in more than one school in any one-day can only receive one day of credit. Any portion of a day teaching is considered one full day of credit. Members' reporting zero days of service should have a letter of explanation- contract payout, retro pay, contract settlement, etc. There cannot be more than 70 days reported for any member in any quarter.
- L. Separation Dates. These dates represent the last day a contracted member taught due to retirement, leaves of absence, etc. A separation type should accompany these dates.
- M. Separation Type. This should be a "T".
- N. Voluntary post-tax contributions (voluntary contributions). Additional amount up to 10% of reported wages that members' may contribute. If the amount is 10%, the cents should be rounded down.

P-31 Format for Diskette/Tape: Teacher Record 36

FIELD	PICTURE	POS.	DESCRIPTION
NTF-SUBSYSTEM-ID-KEY	X(2)	1	'CA'
NTF-SEQUENTIAL-ERROR-KEY	X(5)	3	'00000'
NTF-ERROR-KEY-SEQUENCE-NUM	X(4)	8	'0000'
NTF-FUND-CODE	X(2)	12	'TR'
NTF-EMPLOYER-ACCT-NUM	X(4)	14	First two characters of school unit, right justified, zero filled.
NTF-EMPLOYER-UNIT-CODE	X(3)	18	Last two characters of school unit, right justified, zero filled.
NTF-EMPLOYER-DEPT-NUMBER	X(3)	21	'000'
NTF-SSN	X(9)	24	Teacher's SSN
NTF-TRF-NUMBER	X(7)	33	Teacher's TRF #, right justification, zero filled
NTF-TRANSACTION-DATE	X(8)	40	Current date in YYYYMMDD format
NTF-EFFECTIVE-DATE	X(8)	48	Quarter end date in YYYYMMDD format **
NTF-TRF-DEPT-CODE	X(2)	56	Spaces
NTF-USER-ID	X(8)	58	Spaces
NTF-ERROR-CODE-TABLE	X(20)	66	'00000000000000000000'
NTF-ERROR-CYCLE-COUNT	9(2)	86	Zeros
NTF-OPTION-ID	X(6)	88	'000000'
NTF-TRANSACTION-CODE	X(2)	94	'36'
NTF-ACTION-CODE	X(1)	96	Space
FILLER	X(4)	97	Spaces
NTF-36-LAST-NAME	X(25)	101	Teacher's last name
NTF-36-SSN	X(9)	126	Teacher's SSN
NTF-36-TRF-NUMBER	X(7)	135	Teacher's TRF #
NTF-36-QUARTER-END-DATE	X(8)	142	Quarter end date in YYYYMMDD format **
NTF-36-EOR-WAGES	S9(7)V99	150	Wage for the quarter*
NTF-36-EOR-CONT	S9(7)V99	159	Mandatory post-tax
NTF-36-ER-PICKUP	S9(7)V99	168	Mandatory pre-tax
NTF-36-ERP	S9(7)V99	177	Pension funding on quarterly wages for teachers hired after 06/30/95. *
NTF-36-FSP-WAGES	S9(7)V99	186	FSP Wages for the quarter. *
NTF-36-CONT-FSP	S9(7)V99	195	FSP contributions for the quarter. *
NTF-36-HEP-CONT	S9(7)V99	204	HEP contributions for the quarter. *
NTF-36-SERVICE-CREDIT-DAYS	S9(3)	213	Day taught for the quarter
NTF-36-SEPERATION-DATE	X(8)	216	Date of termination in DD/MM/YYYY format. *
NTF-36-SEPARATION-TYPE	X(1)	224	'T' ***
NTF-36-NEW-EEVOL-CONT	S9(7)V99	225	Voluntary member

			contributions for the quarter. *
FILLER	X(176)	234	Spaces
RECORD LENGTH		400	

* Zero fill if none

** MMDD portion of Quarter end date must be 0930, 1231, 0331, or 0630

*** Valid separation types: 'T'/space if not terminated

P-31 Format for Diskette/Tape

Please place a label on the outside of your diskette/tape that includes the following information:

Employer name, account and unit numbers, address, quarter-end date, contact for diskette/tape questions, and contact phone number.

Summarize Teacher record 36's and create one 35 record for the reporting unit. This record may precede or follow the 36 records.

FIELD	PICTURE	POS	DESCRIPTION
NTF-SUBSYSTEM-ID-KEY	X(2)	1	'CA'
NTF-SEQUENTIAL-ERROR-KEY	X(5)	3	'00000'
NTF-ERROR-KEY-SEQUENCE-NUM	X(4)	8	'0000'
NTF-FUND-CODE	X(2)	12	'TR'
NTF-EMPOLYER-ACCT-NUM	X(4)	14	First two character of school unit, right justified, zero filled
NTF-EMPLOYER-UNIT-CODE	X(3)	18	Last two characters of school unit, right justified, zero filled
NTF-EMPLOYER-DEPT-NUMBER	X(3)	21	'000'
NTF-SSN	X(9)	24	Zeroes
NTF-TRF-NUMBER	X(7)	33	Zeroes
NTF-TRANSACTION-DATE	X(8)	40	Current date in YYYYMMDD format
NTF-EFFECTIVE-DATE	X(8)	48	Quarter end date in YYYYMMDD format
NTF-TRF-DEPT-CODE	X(2)	56	Spaces
NTF-USER-ID	X(8)	58	Spaces
NTF-ERROR-CODE-TABLE	X(20)	66	'00000000000000000000'
NTF-ERROR-CYCLE-COUNT	9(2)	86	Zeroes
NTF-OPTION-ID	X(6)	88	'000000'
NTF-TRANSACTION-CODE	X(2)	94	'35'
NTF-ACTION-CODE	X(1)	96	Space
FILLER	X(4)	97	Spaces
NTF-35-QUARTER-END-DATE	X(8)	101	Quarter end date in YYYYMMDD format
NTF-35-EOR-WAGES	S9(11)V99	109	Sum of NTF-36-EOR WAGES
NTF-35-EOR-CONT	S9(11)V99	122	Sum of NTF-36-EOR-CONT
NTF-35-ER-PICKUP	S9(11)V99	135	Sum of NTF-36-ER-PICKUP
NTF-35-ERP	S9(11)V99	148	Sum of NTF-36-ERP
NTF-35-FSP-WAGES	S9(11)V99	161	Sum of NTF-36-FSP-WAGES
NTF-35-FSP-CONT	S9(11)V99	174	Sum of NTF-36-FSP-CONT
NTF-35-HEP-CONT	S9(11)V99	187	Sum of NTF-36-HEP-CONT
NTF-35-TOTAL-TEACHERS	S9(5)	200	Total number of 36 records
NTF-35-TOTAL-SERVICE-DAYS	S9(7)	205	Sum of NTF-36-SERVICE-CREDIT- DAYS
NTF-35-NUMBER OF ERRORS	S9(5)	212	'00000'
NTF-35-DETAIL-BALANCE-SW	X(1)	217	Spaces
NTF-35-PRINT-SW	X(1)	218	Spaces
NTF-35-POST-SW	X(1)	219	Spaces

NTF-35-PRE96-FSP-HEP	S9(11)V99	220	Zeroes
NTF-35-PRO96-FSP-HEP	S9(11)V99	233	Zeroes
NTF-35-NEW-EEVOL-CONT	S9(11)V99	246	Sum of NTF-36-NEW-EEVOL-CONT
FILLER	X(142)	259	Spaces
RECORD LENGTH		400	

Common Mistakes Made in Diskette Reporting

- A. UNIT #. This is your seven digit account #: 00##-0## and not your six digit DOE #.
- B. DATES. Current dates, and quarter end dates should be in yyymmdd format. The only acceptable quarter end dates are 0930, 1231, 0331, and 0630. Separation dates should be in mmddyyyy format.
- C. TRF #. Reports will not be accepted until TRF #'s are present. Blank spaces and/or 0's are not acceptable.
- D. NEGATIVES. Reporting negative amounts is not accepted. Negative adjustments to member accounts must be done separately.
- E. DAYS. Members reported with "0" days should have an explanation. Seventy (70) days is the maximum amount of acceptable days in any one-quarter.
- F. VOLUNTARY CONTRIBUTIONS. This amount is sometimes incorrectly reported as mandatory post-tax contributions (3% member contributions). It should be reported as Voluntary Post-Tax Contributions. This field on the diskette layout is the last field to the right and should be right justified.

Frequently Asked Questions and Answers

- Q. A member was hired before June 30, 1995. Why is ER Share (ERP) due on this member?
- A. Members that were hired before June 30, 1995 do not have to report the ER Share (ERP) as long as they teach continuously at the same school organization. If a member changes school organizations, is absent from teaching for three (3) consecutive quarters or more without an approved leave of absence for that time, or any retired members who return to teaching and are qualified to be reported to Teachers' Retirement Fund are reassigned to the "Post 96" Fund and ER Share (ERP) is due.
- Q. A member has not received a TRF number, although I sent the application weeks ago.
- A. Applications that are missing information are generally returned to the member. If the member does not return it in a timely manner another application may be requested. We cannot assign TRF numbers until a properly completed application is received. Faxed copies and photocopies cannot be accepted. Another possible problem is a discrepancy in the reported social security number. The social security number on the application may differ from what is reported on the diskette/report. The Pre-enrollment form is available on the TRF web site at www.in.gov/trf.
- Q. A member has been teaching for many quarters, but I have not reported him. How do I report his earnings?
- A. Members who have inadvertently been absent from reporting require a letter from an authorized agent of the School Corporation. This letter should include all pertinent information that a quarterly report would include: member name, social security number, TRF number, wages, contributions, ER Share, FSP contributions, service days, etc. This information should be reported on a quarterly basis. Checks for the member and school contributions should accompany the letter.
- Q. Does TRF have training sessions regarding the employer section of the *Retirement Application*?
- A. Yes. Please contact our Member Service Center for more information.
- Q. When a member retires after the fiscal year ends, what is the procedure for the carryover of the contract paid to the member during the summer months of July and August?
- A. On school letterhead, provide the information regarding the amount of salary paid and contributions after July 1.
- Q. What information is needed when a member retires mid-year?
- A. TRF requires the salary, contributions, last six (6) salary years and number of days of service for the partial year. We also require the carryover information for the summer prior to the partial year.
- Q. If an employee is already a member of TRF through another school corporation, do I need to submit an *Enrollment Form for New Members* form?
- A. No. The member has already been assigned a TRF number and all employing school corporations the member is employed at should use this number.

Q. Can I call TRF to obtain TRF numbers?

A. Yes. If you have less than ten (10) employees to inquire about you may call. For ten (10) or more, we ask that you fax us a list of employees with the members last name and social security number.

Q. I have an employee whom does not have a TRF number and will be reported on my Quarterly Wage and Contribution Report (P-31). What should I do?

A. Submit a completed *Enrollment Form for New Members* with your Quarterly Wage and Contribution Report (P-31) and a TRF number will be assigned before the report is posted.

Q: How can I change my address with the Fund?

A: Address changes must be reported on our *Request for Member Data Change* form.

Q: What is my account balance?

A: You may obtain your account balance on our web site or you may submit your request, in writing. Please include your SSN, TRF number, and signature.

Q: Why am I not receiving quarterly statements?

A: In order to receive quarterly statements your address must be kept current with the Fund.

Q: What is my Teachers' Retirement Fund Number?

A: This information can be obtained by contacting the Fund in writing.

Q: How can I change my beneficiary with the Fund?

A: Beneficiary changes must be reported on our *Request for Member Data Change* form.

Q: How often can I change my investment options?

A: A member can change his investment options quarterly. Each change must be submitted thirty (30) days prior to the end of the quarter to be effective the next quarter

Q: Is the retirement counseling session mandatory?

A: No, it is the member's preference on whether to come into the office before applying for retirement.

Q: How can I access my account for a loan?

A: Only members that have separated from teaching have access to withdraw from their account.

Q: How many years does it take to be vested?

A: A member must teach ten (10) years to be vested in the State of Indiana.

Q: How may I receive an estimate for retirement?

A: Please contact our office for the estimate form or you may calculate your benefits on line.

Q: Is there a penalty to withdraw from the Fund?

A: Yes, if taking a lump sum distribution there will be subject to 20% federal taxes, state tax 3.4% (optional), and a 10% penalty federal penalty.

Q: Why isn't my out of state/private school service credit reflected on my quarterly statement?

A: The service credit will need to be properly verified before reflecting in the member's account. Please refer the member to our office for the proper verification forms.

Our Web Site Works for You!

Contacting Your Fund

You can find out about the
following at our main numbers:

(317) 232-3860

Toll-Free (888) 286-3544

- ✓ Benefit Check Deductions
- ✓ Benefit Check Health Insurance Deductions
- ✓ Electronic Payment Transfer
- ✓ Electronic Submission of Quarterly Payments
 - ✓ Counseling
 - ✓ Death Reports
 - ✓ Direct Deposits
 - ✓ Lost Checks
 - ✓ Service Credit
 - ✓ Withdrawals

Other Services:

Investments..... (317) 232-3868

TDD/TTY.....(317) 233-3306

Director's Office... (317) 232-3869

FAX Number..... (317) 232-3882

Visit our site on the World Wide Web at:

<http://www.in.gov/trf>

You can send our office an electronic mail
message at: **trf@state.in.us**

Looking Forward

Indiana State Teachers' Retirement Fund is constructing an employer friendly web site to assist employers. Our web site will assist employers in reporting quarterly wage and contribution reports, submit reports, make payments, enroll members, receive TRF number's, and submit reports on a payroll basis. This is just a few of the options available via the TRF web site. These options, and many more in the future, will be available in the upcoming months.